

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION
www.flmd.uscourts.gov**

In re:

CASE NO. 6:15-bk-03459

TIRECO, INC.,

CHAPTER 11

Debtor.

CHAPTER 11 CASE MANAGEMENT SUMMARY

TIRECO, INC. (“Debtor”) by and through its undersigned counsel, and pursuant to Administrative Order FLMB 2009-1, hereby files its Chapter 11 Case Management Summary and states as follows:

1. On April 21, 2015 (the “Petition Date”), the Debtor filed its petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). (Doc. No. 1).

2. No trustee has been appointed. The Debtor continues to operate its business and manage its property as a debtor-in-possession under §§ 1107 and 1108 of the Bankruptcy Code.

I. Description of the Debtor’s Business and Secured Loans

3. Debtor is single shareholder Florida corporation formed in July 1997. The Debtor was formed to own and operate an automotive tire service and repair center. The Debtor does business as “Formula Tire and Auto Care” as its registered fictitious name.

3. The Debtor currently does business at 2600 West State Road 434, Longwood, Florida 32779 (the “Retail Store”). The Retail Store itself has eight (8) service bays with electronic lifts and state of the art repair equipment. The Retail Store services a wide range of automobiles and light trucks. A significant amount of its revenue comes from the sale of name brand automotive tires

and parts including, but not limited to, Goodyear, Mobil1, BFGoodrich, Firestone, Bridgestone and Michelin. The Debtor also owns the real property where the Retail Store is located (the “Real Property”). Since March 2004, J. Michael Jones (“Mr. Jones”) has been the sole shareholder of the Debtor.

4. In March 2004, to assist with the refinance of the Real Property, the Debtor took out a loan with Mercantile Bank n/k/a TD Bank in the amount of \$940,334.00 (the “Note”). The Note is secured by a first priority mortgage lien on the Real Property and security interest lien on substantially all of the Debtor’s personal property including equipment, inventory and accounts receivable. The Note was subsequently modified and amended for the benefit of the Debtor and TD Bank.

5. In September 2005, to ensure the continued growth of the Debtor’s business and to acquire certain equipment and inventory, the Debtor took out a line of credit with SunTrust Bank in the amounts of \$100,000.00 (the “SunTrust Loan”). The SunTrust Loan may be secured by a first priority lien on all of the Debtor’s personal property including equipment, inventory and accounts receivable.

II. Events Leading to and Reasons for Filing

6. From its inception until approximately 2013, the Debtor had a successful and thriving business. Annual sales exceeded \$1,600,000.00 and the Debtor made every single payment to TD Bank and SunTrust.

7. During this same period of time, the Debtor was working with Firestone/Bridgestone as an authorized retailer. Firestone extended a revolving line of credit from day one with the Debtor for the financing of the acquisition of certain Firestone/Bridgestone products. The Debtor incurred a balance in excess of \$300,000.00 on this credit line. In late 2012 and early 2013, Firestone advised

that the Firestone credit line would be closed with no exception, even though the Debtor no longer was ordering Firestone/Bridgestone products through the line of credit. Firestone demanded that the Debtor pay in excess of \$7,500.00 a month or more to pay down the credit line (which was now closed). The Debtor succumbed to the Firestone demand, through payments received from Firestone credit cards and national accounts (Firestone would automatically keep the funds and credit the Debtor's outstanding balance) and began to pay down the antecedent debt owed to Firestone to the detriment of the Debtor's cash flow by close to Two Hundred Thousand Dollars (\$200,000.00).

8. Furthermore, the TD Bank Note became due and payable in June 2013. In October 2013, TD Bank made a demand for payment of the Note in full. The Debtor attempted to refinance the Real Property in an effort to satisfy the TD Bank Note. However, such attempts fell short, largely due to the cash flow crunch caused by Firestone's payment arrangement.

9. On July 21, 2014, TD Bank filed an action against the Debtor for foreclosure of mortgage, foreclosure of security interests and damages in the case styled *TD Bank, N.A. v. Tireco, Inc., et al.*, Case No. 2014-CA-002097-14C-W, In the Circuit Court of the Eighteenth Judicial Circuit, In and For Seminole County, Florida (the "Lawsuit").

10. Since the filing of the Lawsuit, TD Bank and the Debtor have reached a tentative agreement that will restructure and extend the TD Bank Note through a confirmed plan of reorganization.

11. Given the foregoing cash flow issues and based on the tentative agreement reached with its largest secured creditor, the Debtor filed this Chapter 11 case to reorganize its debts, which will enable it to maintain its business, keep its employees, pay its creditors over time, and operate with positive cash flow.

III. Ownership Interests in Debtor and the Debtor's Officers and Board

12. As of the Petition Date, Mr. Jones was the sole shareholder of the Debtor. Mr. Jones serves as the President and CEO and Ms. Monica Jones ("Mrs. Jones") serves as Vice President of the Debtor. Mr. Jones and Mrs. Jones are the only members of the board of directors of the Debtor.

IV. Amounts Owed to Various Classes of Creditors

13. As of the Petition Date, the Debtor was indebted to its secured creditors as follows:

<u>Secured Lender</u>	<u>Approximate Amount (lien type)</u>
Seminole County Tax Collector	\$ 11,000.00 (est. 2015 taxes)
TD Bank, N.A.	\$855,000.00 (mortgage on Real Property and lien on personal property)
SunTrust Bank	\$88,000.00.00 (lien on personal property)

14. As of the Petition Date, the Debtor was indebted to non-insider unsecured creditors, including suppliers and trade creditors in the approximate aggregate amount of \$255,000.00 and approximately \$6,500.00 owed to the Florida Department of Revenue. As of the Petition Date, there was no insider unsecured debt.

V. General Description and Approximate Value of Debtor's Current and Fixed Assets

15. The Debtor owns all equipment, inventory and fixtures at the Retail Store and its collective book value is approximately \$200,000.00. The Value of the Real Property is estimated to be approximately \$900,000.00. As of the Petition Date, the Debtor has approximately \$160.00 in cash on hand, \$5,294.00 in bank accounts (including deposits in transit) as well as approximately \$1,800.00 in current accounts receivable.

VI. Number of Employees and Amounts of Wages Owed as of Petition Date

16. As of the Petition Date, not including Debtor's insiders, the Debtor has six (6) full-time W-2 employees that assist with the administration and operation of the Retail Store. As of the Petition Date, the Debtor owes its employees (including insiders) approximately \$5,500.00.

VII. Anticipated Emergency Relief to be requested within 14 days from the Petition Date

17. The Debtor anticipates filing the following First-Day Motions and requests for Emergency Relief:

- a. Motion(s) to Use Cash Collateral
- b. Motion to Pay Prepetition Wages and Benefits of Employees
- c. Motion to Pay Salary of an Insider (Mr. Jones and Mrs. Jones)

RESPECTFULLY SUBMITTED this 21st day of April 2015.

/s/ Justin M. Luna 

Justin M. Luna, Esq.

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Christopher R. Thompson, Esq.

Florida Bar No. 0093102

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the forgoing **CHAPTER 11 CASE MANAGEMENT SUMMARY** has been furnished either electronically and/or by U.S. First Class, postage prepaid mail to: **Tireco, Inc.**, c/o Monica Jones, 2600 West State Road 434, Longwood, Florida 32779; **Michael A. Nardella, Esq.**, a/f TD Bank N.A., Burr & Forman LLP, 200 S. Orange Avenue, Suite 800, Orlando, Florida 32801; all secured creditors and the twenty largest unsecured creditors as shown on the matrix attached to the original of this motion filed with the Court; and the U.S. Trustee, 400 W. Washington Street, Suite 1100, Orlando, Florida 32801, this 21st day of April 2015.

/s/ Justin M. Luna


Justin M. Luna, Esq.

Advanced Auto Parts
P.O. Box 742063
Atlanta, GA 30374

Bank of America
P.O. Box 660807
Dallas, TX 75266

Bridgestone Americas
P.O. Box 730529
Dallas, TX 75373

Bridgestone/Firestone
North Am Tire, LLC
6275 Eastland Road
Cleveland, OH 44142

Don Reid Ford
1875 S. Orlando Ave.
Maitland, FL 32751

Duke Energy
P.O. Box 1004
Charlotte, NC 28201

Florida Dept of Revenue
Attn: Executive Director
5050 W Tennessee St
Tallahassee, FL 32399-0140

Greenway Dodge Chrysler Jeep
9051 E. Colonial Drive
Orlando, FL 32817

Holler Honda
P.O. Box 1720
Winter Park, FL 32790

Internal Revenue Service
Centralized Insolvency Ops
PO Box 7346
Philadelphia, PA 19101-7346

J. Michael Jones
2600 West SR 434
Longwood, FL 32779

Midtronics
7000 Monroe Street
Willowbrook, IL 60527

Pepsi Beverages Co
Attn: George Smith
1700 Directors Row
Orlando, FL 32809

Radiator Depot
P.O. Box 3497
Kansas City, KS 66103

SEC
Branch of Reorganization
3475 Lenox Rd NE #1000
Atlanta, GA 30326-3235

Seminole City Water & Sewer
P.O. Box 958443
Lake Mary, FL 32795

Seminole Cty Tax Collector
Attn: Ray Valdes
PO Box 630
Sanford, FL 32772-0630

SunTrust Bank
PO Box 79079
Baltimore, MD 21279-9079

SunTrust Bank
PO Box 26202
Richmond, VA 23260

TCI
P.O. Box 742237
Atlanta, GA 30374

TD Bank, NA
successor by merger to
Mercantile Bank
1701 Rte 70 East
Cherry Hill, NJ 08034

Transworld Systems Inc
507 Prudential Rd
Horsham, PA 19044

Transworld Systems, Inc.
507 Prudential Rd.
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TWW
P.O. Box 905944
Charlotte, NC 28290

Waste Management, Inc. of FL
P.O. Box 105453
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